

River City Federal Credit Union is one of many credit unions throughout the country which utilizes open-end lending for its secured consumer loans. We have found open-end lending to be very beneficial in that it has resulted in convenience to our members and lower costs to the credit union. These savings have contributed to our ability to pay our members higher rates on their deposits and to offer them lower rates on loan products.

Should the Federal Reserve's proposed changes to Regulation Z be implemented, we believe that it would adversely impact our members, as well as millions of other members throughout our industry. The proposed changes would be very disruptive and inconvenient, and would significantly limit the use of open-end lending. In addition, there would be substantial costs (training, software, etc.) in switching to closed-end lending. Our members would bear these costs, along with losing the convenience in our loan processes.

Given the stated adversities, we would like to go on record to reflect that we are adamantly opposed to the Regulation Z changes, as currently proposed. We support Credit Union National Association's (CUNA's) lobbying efforts being made to protect the interests of numerous credit union and their millions of members.

Respectfully,

Robert W. Etheridge
River City Federal Credit Union
Executive Vice-President/Chief Operations Officer
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